Health Care Financing

RESEARCH BRIEF

These brief reports from the Office of Research, Office of Research and Demonstrations, provide program information on current health care issues.

They are based on data from the Medicare statistical files developed and maintained by the Bureau of Data Management and Strategy, Health Care Financing Administration.

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Health Care Financing Administration
Office of Research & Demonstrations

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Medicare: Inpatient Use of Short-Stay Hospitals, 1983

This report presents annual estimates on the use, charges, and amounts reimbursed for Medicare hospital insurance (HI) beneficiaries discharged from participating short-stay hospitals during 1983. Data are shown for aged and disabled beneficiaries by State of residence. Trend data for the years 1969 to 1983 are also shown.

In April of 1983, the President signed into law the Social Security Amendments of 1983 (P.L. 98-21). Title VI of this law - aimed at curbing the rapid growth in Medicare costs without concurrently reducing quality of care - provided for a prospective payment system (PPS) for most participating short-stay hospitals certified to provide Medicare inpatient hospital services to 30 million eligible Americans. The new PPS legislation, which went into effect on October 1, 1983, contained sweeping revisions which radically restructured the payment system in which hospitals are reimbursed for inpatient services provided to Medicare beneficiaries. For the most part, the new PPS replaced the traditional retrospective cost-based system.

The PPS is expected to reduce the overall use of short-stay hospitals (as measured by the annual total days of care rate per 1,000 enrollees) and to reduce the average annual rate of increase in hospital costs under the Medicare program. The PPS legislation gives hospitals the incentive to hold costs down since they will earn a profit when their costs fall below the prospective payment, or will absorb a loss when their costs exceed the prospective payment. The prospective payment is the rate DHHS will pay hospitals for short-stay hospital inpatient services to Medicare beneficiaries. It is a predetermined, fixed rate for each discharge, according to the diagnosis-related group assigned to each patient.

The primary purpose of this report, therefore, is to provide baseline data (pre-PPS) for aged and disabled Medicare beneficiaries discharged from short-stay hospitals in order to measure, evaluate, and monitor the implementation, operation, and effectiveness of the new PPS. The report focuses on the annual total days of care (TDOC) rate per 1,000 HI enrollees as a means for measuring hospital use. The annual TDOC rate is the most important statistic for analyzing hospital use since it has direct expenditure implications. The TDOC rate is a function of two other variables - the annual number of discharges per 1,000 HI enrollees and the average length of stay per discharge. The data contained in these tables should provide information to help identify trends and patterns of short-stay hospital inpatient use which affect, to a large degree, the amount of expenditures for Medicare benefits.

This report was prepared in the Division of Program Studies of the Office of Research. For additional information regarding this report, or for suggestions regarding future topics, please call Charles Helbing at (301) 597-1420.

Selected Data Highlights

Table 1 - Trends

- Between 1969 and 1983, the total days of care (TDOC) used by Medicare beneficiaries increased at an average annual rate of 2.5 percent, slightly lower than the average annual rate of increase (2.8 percent) in the number of hospital insurance (HI) enrollees. Thus, the annual TDOC rate per 1,000 enrollees was slightly higher (4.1 percent) in 1969 than in 1983 - 3,947 and 3,786, respectively.

- The similarity in the TDOC rate for 1969 and 1983 reflects the net effect of offsetting trends in the annual discharge rate and in the annual average length of stay (ALOS) per discharge. The discharge rate per 1,000 HI enrollees increased from 292 in 1969 to 387 in 1983, an increase of about 33 percent. During this period, however, the ALOS per discharge dropped from 13.5 days to 9.8 days, a decrease of 27 percent.

- Between 1969 and 1983, total short-stay hospital charges for Medicare beneficiaries discharged from short-stay hospitals increased from $5.2 billion to $54.1 billion, an average annual rate of increase of 18.2 percent. The average charge per discharge increased from $892 to $4,733, and the average charge per day increased from $66 to $483.

- During this period, total reimbursements increased from $4.1 billion to $34.3 billion, an average annual rate of increase of 16.4 percent. Reimbursements, as a percent of total charges, dropped rather steadily from 78 percent in 1969 to 63 percent in 1983.

- From 1976 to 1983, disabled beneficiaries used relatively more short-stay hospital services than aged beneficiaries. The TDOC rate for the disabled increased from 3,780 per 1,000 enrollees in 1976 to 4,206 in 1983 - an increase of 11 percent - while the TDOC rate for aged beneficiaries remained nearly the same.

Table 2 - Geographic (Aged Beneficiaries)

- For all areas, the 10.2 million discharges of aged beneficiaries in 1983 accounted for 99.7 million days of short-stay hospital care, an ALOS of 9.8 days per discharge. The annual TDOC rate was 3,740 per 1,000 HI enrollees.

- For all areas, total hospital charges amounted to $47.9 billion, an average charge of $4,713 per discharge and $480 per day.

- The Northeast displayed the highest annual TDOC rate (4,206 per 1,000), reflecting the highest ALOS (12.1 days) among the four United States census regions (23 percent above the national average) despite having nearly the lowest annual discharge rate among the regions (347 per 1,000) - about 10 percent below the national average.

- In contrast, the West had the lowest TDOC rate (2,744 per 1,000), reflecting the lowest ALOS (8.1 days) among the regions (about 21 percent below the national average) and a discharge rate (339 per 1,000) which was about 12 percent below the national average.

- Among the four regions, the average charge per discharge ranged from $4,108 in the South to $5,451 in the West, a difference of 33 percent. The West had the highest charge per discharge mainly because their average charge per day ($674) was substantially higher than the other regions.

- Among the States, the annual TDOC rate per 1,000 enrollees ranged from 2,173 in Utah to 4,871 in Kansas, a difference of 124 percent. The average charge per discharge ranged from $3,240 in Mississippi to $8,340 in the District of Columbia, a difference of 157 percent. The average charge per day ranged from $353 in Kansas to $809 in Nevada, a difference of 129 percent.

Table 3 - Geographic (Disabled Beneficiaries)

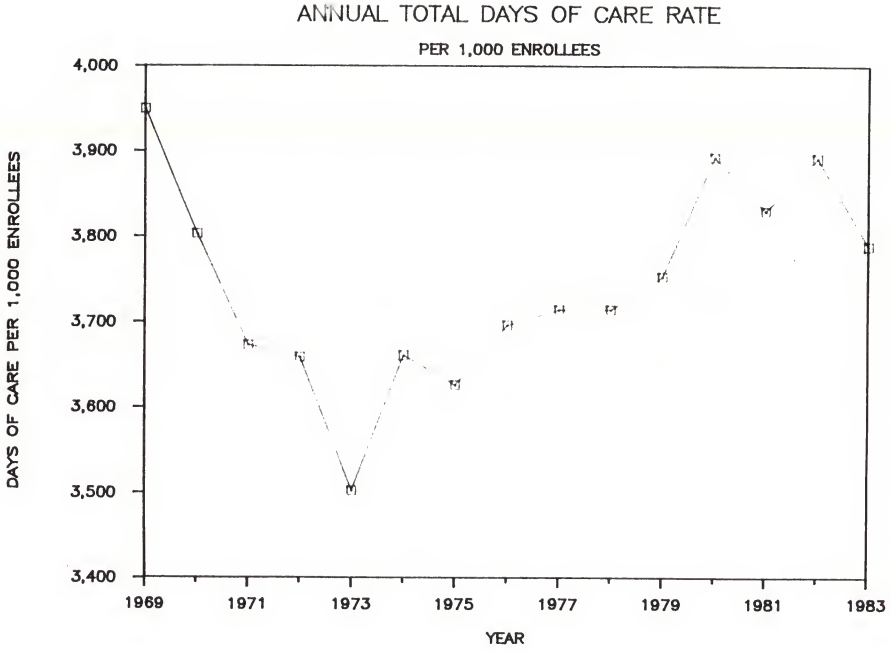
- In 1983, the 1.3 million discharges of disabled beneficiaries accounted for 12.3 million days of short-stay hospital care, an ALOS of 9.6 days. The TDOC rate for the disabled was 4,206 per 1,000 enrollees, or about 12 percent higher than that for the aged (3,740 per 1,000).

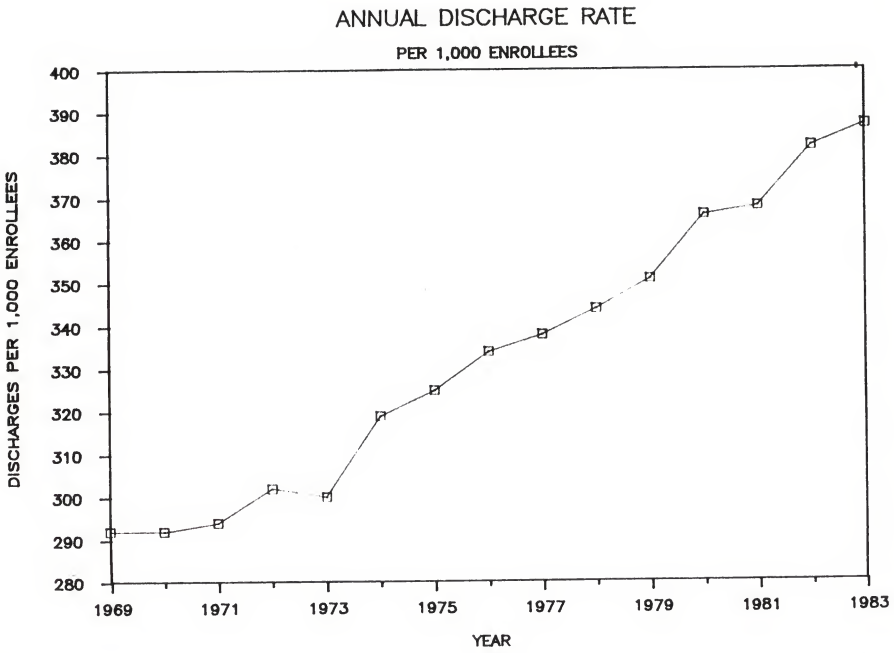
- Total hospital charges for disabled beneficiaries amounted to $6.3 billion, or nearly 12 percent of the total short-stay hospital charges. The average charge per discharge was $4,887 and the average charge per day was $511, about 4 percent and 6 percent higher, respectively, than that for the aged.

- Among the four United States census regions, the annual TDOC rate per 1,000 enrollees ranged from 3,294 in the West to 4,683 in the Northeast, a pattern similar to that for aged beneficiaries.

- The average charge per discharge ranged from $4,189 in the South to $5,784 in the West, a difference of 38 percent. The average charge per day ranged from $470 in the South to $710 in the West, a difference of 51 percent. These patterns were similar to those for the aged.

- Among the States, the annual TDOC rate per 1,000 enrollees ranged from 2,759 in Utah to 5,715 in the District of Columbia, a difference of 107 percent. The average charge per discharge ranged from $3,196 in Arkansas to $9,534 in the District of Columbia, a difference of 198 percent. The average charge per day ranged from $391 in North Dakota to $874 in Nevada, a difference of 124 percent.


ANNUAL TOTAL DAYS OF CARE RATE
PER 1,000 ENROLLEES
DAYS OF CARE PER 1,000 ENROLLEES
4,000
3,900
3,800
3,700
3,600
3,500
3,400
1969
1971
1973
1975
1977
1979
1981
1983
YEAR


ANNUAL DISCHARGE RATE
PER 1,000 ENROLLEES
DISCHARGES PER 1,000 ENROLLEES
400
390
380
370
360
350
340
330
320
310
300
290
280
1969
1971
1973
1975
1977
1979
1981
1983
YEAR

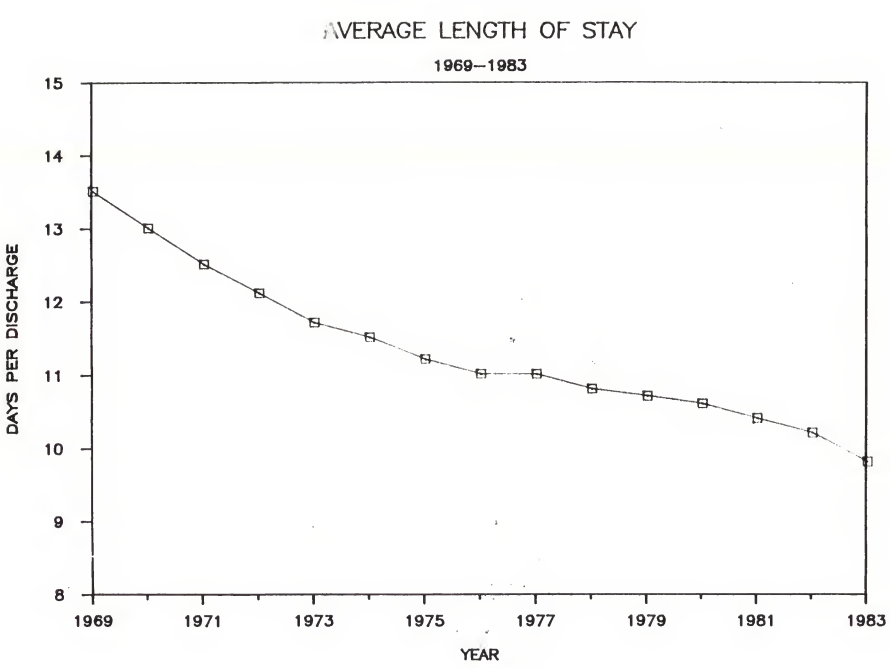

AVERAGE LENGTH OF STAY
1969–1983
DAYS PER DISCHARGE
15
14
13
12
11
10
9
8
1969
1971
1973
1975
1977
1979
1981
1983
YEAR

TABLE 1

USE OF SHORT STAY HOSPITAL SERVICES BY MEDICARE HOSPITAL INSURANCE BENEFICIARIES:
NUMBER OF DISCHARGES, DAYS OF CARE, CHARGES, AND REIMBURSEMENT, BY TYPE OF BENEFICIARY, CALENDAR YEARS, 1969-1983

	DISCHARGES		MEAN LENGTH OF STAY IN DAYS		DAYS OF CARE			TOTAL CHARGES			REIMBURSEMENT		
			TOTAL	COVERED	TOTAL		COVERED						PERCENT OF
YEAR	NUMBER IN THOUSANDS	RATE PER 1,000 ENROLLEES	PER DIS-CHARGE	PER DIS-CHARGE	NUMBER IN THOUSANDS	RATE PER 1,000 ENROLLEES	NUMBER IN THOUSANDS	AMOUNT IN MILLIONS	PER DISCHARGE	PER DAY	AMOUNT IN MILLIONS	PER DISCHARGE	TOTAL CHARGES
ALL BENEFICIARIES													
1969	5,852	292	13.5	13.2	79,002	3,947	77,246	$5,220	$892	$66	$4,085	$698	78.3
1970	5,951	292	13.0	12.7	77,363	3,800	75,578	5,886	989	76	4,481	753	76.1
1971	6,090	294	12.5	12.2	76,125	3,670	74,298	6,638	1,090	87	5,036	827	75.9
1972	6,380	302	12.1	11.8	77,198	3,656	75,284	7,401	1,160	96	5,576	874	75.3
1973	6,984	300	11.7	11.5	81,529	3,499	79,976	8,494	1,216	104	6,446	952	78.2
1974	7,629	319	11.5	11.3	87,523	3,658	86,193	10,471	1,373	120	7,837	1,027	74.8
1975	8,001	325	11.2	11.0	89,275	3,623	87,656	13,073	1,634	146	9,748	1,218	74.6
1976	8,465	334	11.0	10.8	93,480	3,693	91,770	15,951	1,882	170	11,803	1,394	74.1
1977	8,808	338	11.0	10.8	96,825	3,711	95,119	19,157	2,170	197	13,944	1,583	73.0
1978	9,216	344	10.8	10.6	99,372	3,711	97,598	22,408	2,431	225	16,008	1,737	71.4
1979	9,642	351	10.7	10.4	102,459	3,750	100,521	26,120	2,709	254	18,463	1,915	70.7
1980	10,279	366	10.6	10.4	109,175	3,890	106,512	31,992	3,112	293	22,099	2,150	69.1
1981	10,660	368	10.4	10.1	110,806	3,827	107,233	38,164	3,580	344	25,936	2,433	68.0
1982	11,109	382	10.2	9.8	113,047	3,889	109,249	46,369	4,174	410	30,601	2,755	66.0
1983	11,436	387	9.8	9.5	112,011	3,786	109,189	54,127	4,733	483	34,338	3,003	63.4
AGED													
1969	5,852	292	13.5	13.2	79,002	3,947	77,246	5,220	892	66	4,085	698	78.3
1970	5,951	292	13.0	12.7	77,363	3,800	75,578	5,886	989	76	4,481	753	76.1
1971	6,090	294	12.5	12.2	76,125	3,670	74,298	6,638	1,090	87	5,036	827	75.9
1972	6,380	302	12.1	11.8	77,198	3,656	75,284	7,401	1,160	96	5,576	874	75.3
1973	6,751	313	11.7	11.5	78,987	3,662	77,637	8,227	1,219	104	6,245	925	75.9
1974	7,033	320	11.5	11.3	80,880	3,677	79,770	9,614	1,367	119	7,209	1,025	75.0
1975	7,285	324	11.2	11.0	81,592	3,631	80,135	11,853	1,627	145	8,959	1,230	74.7
1976	7,607	332	11.1	10.9	84,438	3,684	82,916	14,263	1,875	169	10,589	1,392	74.2
1977	7,850	334	11.1	10.9	86,967	3,705	85,471	17,072	2,175	196	12,455	1,587	73.0
1978	8,133	339	10.9	10.7	88,557	3,692	87,033	19,772	2,431	224	14,182	1,744	71.7
1979	8,478	345	10.8	10.5	91,239	3,717	89,075	22,938	2,706	251	16,251	1,917	70.8
1980	9,051	361	10.7	10.4	96,772	3,855	94,422	28,114	3,106	291	19,460	2,150	69.2
1981	9,400	367	10.4	10.1	98,223	3,838	94,970	33,564	3,571	342	22,814	2,427	68.0
1982	9,817	376	10.2	9.9	100,431	3,846	97,059	40,875	4,164	407	27,008	2,751	66.1
1983	10,152	381	9.8	9.6	99,740	3,740	97,253	47,851	4,713	480	30,398	2,994	63.5
DISABLED													
1973	233	135	10.9	10.0	2,542	1,469	2,339	267	1,146	105	201	863	75.3
1974	596	309	11.1	10.8	6,643	3,446	6,423	857	1,438	129	628	1,054	73.3
1975	716	330	10.7	10.5	7,683	3,544	7,521	1,220	1,704	159	889	1,242	72.9
1976	858	359	10.5	10.3	9,042	3,780	8,854	1,688	1,947	187	1,214	1,415	71.9
1977	958	366	10.3	10.1	9,858	3,764	9,648	2,085	2,176	212	1,489	1,554	71.4
1978	1,083	388	10.0	9.8	10,815	3,872	10,565	2,636	2,434	244	1,826	1,686	69.3
1979	1,164	400	10.0	9.8	11,230	3,858	11,446	3,182	2,734	283	2,212	1,900	69.5
1980	1,228	414	10.0	9.8	12,403	4,186	12,090	3,878	3,158	313	2,639	2,149	68.1
1981	1,260	420	9.9	9.7	12,583	4,196	12,263	4,600	3,651	366	3,122	2,478	67.9
1982	1,292	437	9.8	9.4	12,616	4,271	12,190	5,494	4,252	435	3,593	2,781	65.4
1983	1,284	440	9.6	9.3	12,272	4,206	11,937	6,276	4,887	511	3,940	3,068	62.8

TABLE 2

USE OF SHORT STAY HOSPTAL SERVICES BY AGED MEDICARE HOSPITAL INSURANCE BENEFICIARIES:
NUMBER OF DISCHARGES, DAYS OF CARE, CHARGES, AND REIMBURSEMENT, BY REGION, DIVISION, AND STATE, 1983

AREA OF RESIDENCE	DISCHARGES		MEAN LENGTH OF STAY IN DAYS		DAYS OF CARE			TOTAL CHARGES			REIMBURSEMENT		
			TOTAL	COVERED	TOTAL		COVERED						
	NUMBER IN THOUSANDS	RATE PER 1,000 ENROLLEES	PER DIS- CHARGE	PER DIS- CHARGE	NUMBER IN THOUSANDS	RATE PER 1,000 ENROLLEES	NUMBER IN THOUSANDS	AMOUNT IN MILLIONS	PER DIS- CHARGE	PER DAY	AMOUNT IN MILLIONS	PER DIS- CHARGE	PERCENT OF TOTAL CHARGES
ALL AREAS	10,152	381	9.8	9.6	99,740	3,740	97,253	$47,851	$4,713	$480	$30,398	$2,994	63.5
UNITED STATES	10,088	386	9.8	9.6	99,149	3,791	96,667	47,700	4,729	481	30,320	3,006	63.6
NORTHEAST	2,144	347	12.1	11.5	26,002	4,206	24,580	11,652	5,434	448	7,488	3,492	64.3
NORTH CENTRAL	2,785	403	9.9	9.7	27,544	3,990	26,954	12,807	4,598	465	8,351	2,999	65.2
SOUTH	3,631	424	9.2	9.1	33,257	3,888	32,942	14,914	4,108	448	9,263	2,551	62.1
WEST	1,527	339	8.1	8.0	12,342	2,744	12,188	8,324	5,451	674	5,216	3,416	62.7
NEW ENGLAND	545	348	11.0	10.5	6,017	3,838	5,699	2,665	4,890	443	1,892	3,471	71.0
CONNECTICUT	116	301	10.6	10.4	1,228	3,185	1,211	563	4,846	459	416	3,575	73.8
MAINE	56	379	9.0	8.8	503	3,411	493	248	4,432	492	168	3,000	67.7
MASSACHUSETTS	271	368	12.0	11.0	3,253	4,427	2,988	1,425	5,263	438	996	3,680	69.9
NEW HAMPSHIRE	39	354	9.4	9.2	362	3,310	357	153	3,950	422	112	2,883	73.0
RHODE ISLAND	41	317	10.8	10.7	446	3,435	440	192	4,669	432	138	3,358	71.9
VERMONT	22	368	10.0	9.4	224	3,691	210	84	3,776	376	62	2,797	74.1
MIDDLE ATLANTIC	1,599	347	12.5	11.8	19,986	4,332	18,881	8,987	5,619	450	5,596	3,499	62.3
NEW JERSEY	301	338	12.3	11.9	3,713	4,165	3,573	1,415	4,698	381	1,099	3,650	77.7
NEW YORK	693	325	13.9	12.7	9,667	4,532	8,786	4,032	5,818	417	2,539	3,661	62.9
PENNSYLVANIA	605	381	10.9	10.8	6,606	4,156	6,522	3,541	5,849	536	1,961	3,239	55.4
EAST NORTH CENTRAL	1,830	393	10.2	10.1	18,642	4,004	18,508	9,113	4,980	489	5,850	3,197	64.2
ILLINOIS	529	414	10.5	10.4	5,564	4,356	5,508	2,998	5,666	539	1,782	3,368	59.4
INDIANA	229	377	9.8	9.8	2,255	3,708	2,243	870	3,801	386	648	2,831	74.5
MICHIGAN	384	398	10.3	10.2	3,944	4,084	3,921	2,134	5,554	541	1,323	3,445	62.0
OHIO	469	387	10.4	10.3	4,862	4,012	4,839	2,266	4,834	466	1,461	3,118	64.5
WISCONSIN	219	369	9.2	9.1	2,016	3,400	1,997	846	3,861	419	635	2,897	75.0
WEST NORTH CENTRAL	955	425	9.3	8.8	8,902	3,962	8,446	3,694	3,867	415	2,502	2,619	67.7
IOWA	164	412	8.8	8.4	1,439	3,616	1,380	572	3,490	398	393	2,399	68.7
KANSAS	141	453	10.8	8.7	1,519	4,871	1,228	537	3,802	353	370	2,620	68.9
MINNESOTA	191	383	8.7	8.6	1,653	3,316	1,633	704	3,687	426	521	2,728	74.0
MISSOURI	275	422	9.8	9.7	2,691	4,132	2,663	1,249	4,547	464	803	2,923	64.3
NEBRASKA	98	468	8.6	8.5	847	4,045	832	342	3,490	404	213	2,176	62.4
NORTH DAKOTA	42	499	8.5	8.4	359	4,249	353	146	3,451	405	108	2,550	73.9
SOUTH DAKOTA	44	473	8.9	8.0	395	4,202	355	145	3,262	367	95	2,129	65.3
SOUTH ATLANTIC	1,741	391	9.6	9.4	16,642	3,736	16,439	7,761	4,458	466	4,835	2,777	62.3
DELAWARE	22	342	11.2	11.0	246	3,844	240	108	4,913	438	67	3,056	62.2
DIST. OF COLUMBIA	22	328	14.2	13.5	309	4,665	293	181	8,340	586	126	5,799	69.5
FLORIDA	655	385	9.2	9.1	6,032	3,541	5,985	3,398	5,186	563	1,978	3,019	58.2
GEORGIA	227	433	8.2	8.1	1,851	3,539	1,836	811	3,579	438	495	2,182	61.0
MARYLAND	147	364	11.2	11.1	1,655	4,082	1,635	679	4,607	416	561	3,808	62.7
NORTH CAROLINA	240	379	9.9	9.7	2,366	3,748	2,325	842	3,515	356	543	2,268	64.5
SOUTH CAROLINA	112	374	9.5	9.4	1,066	3,561	1,054	431	3,842	404	272	2,428	63.2
VIRGINIA	202	386	10.2	10.1	2,059	3,937	2,037	871	4,314	423	534	2,643	61.3
WEST VIRGINIA	114	479	9.2	9.0	1,058	4,430	1,033	441	3,851	416	259	2,263	58.8

(CONTINUED)

TABLE 2 (CONTINUED)
USE OF SHORT STAY HOSPTAL SERVICES BY AGED MEDICARE HOSPITAL INSURANCE BENEFICIARIES:
NUMBER OF DISCHARGES, DAYS OF CARE, CHARGES, AND REIMBURSEMENT, BY REGION, DIVISION, AND STATE, 1983

AREA OF RESIDENCE	DISCHARGES		MEAN LENGTH OF STAY IN DAYS		DAYS OF CARE			TOTAL CHARGES			REIMBURSEMENT		
			TOTAL	COVERED	TOTAL		COVERED						
	NUMBER IN THOUSANDS	RATE PER 1,000 ENROLLEES	PER DIS-CHARGE	PER DIS-CHARGE	NUMBER IN THOUSANDS	RATE PER 1,000 ENROLLEES	NUMBER IN THOUSANDS	AMOUNT IN MILLIONS	PER DIS-CHARGE	PER DAY	AMOUNT IN MILLIONS	PER DIS-CHARGE	PERCENT OF TOTAL CHARGES
EAST SOUTH CENTRAL	766	464	9.0	9.0	6,925	4,196	6,883	2,884	3,765	416	1,685	2,200	58.4
ALABAMA	206	469	8.6	8.6	1,778	4,048	1,770	861	4,178	484	468	2,269	54.3
KENTUCKY	177	434	9.2	9.1	1,631	3,992	1,612	614	3,458	376	406	2,286	66.1
MISSISSIPPI	143	508	9.0	9.0	1,289	4,588	1,279	463	3,240	359	272	1,904	58.8
TENNESSEE	240	459	9.3	9.3	2,227	4,269	2,223	947	3,951	425	540	2,252	57.0
WEST SOUTH CENTRAL	1,124	459	8.6	8.6	9,690	3,957	9,620	4,269	3,799	441	2,743	2,441	64.3
ARKANSAS	149	480	8.1	8.1	1,212	3,907	1,204	483	3,242	399	289	1,939	59.8
LOUISIANA	180	458	8.7	8.6	1,562	3,967	1,549	741	4,111	475	452	2,505	60.9
OKLAHOMA	169	458	8.6	8.5	1,442	3,917	1,430	666	3,951	462	419	2,484	62.9
TEXAS	626	454	8.7	8.7	5,474	3,976	5,437	2,378	3,802	434	1,583	2,531	66.6
MOUNTAIN	408	354	8.1	8.0	3,321	2,880	3,277	1,785	4,372	538	1,129	2,765	63.2
ARIZONA	112	333	8.5	8.4	951	2,835	939	546	4,888	574	336	3,010	61.6
COLORADO	96	369	8.7	8.5	834	3,200	820	424	4,410	509	273	2,836	64.3
IDAHO	38	369	7.1	7.0	269	2,611	267	127	3,323	470	86	2,268	68.3
MONTANA	37	402	7.5	7.4	277	3,016	274	128	3,454	460	88	2,381	68.9
NEVADA	27	349	8.3	8.2	228	2,913	225	185	6,751	809	99	3,640	53.9
NEW MEXICO	46	372	7.9	7.8	365	2,952	359	187	4,068	513	119	2,596	63.8
UTAH	35	294	7.4	7.4	260	2,173	259	130	3,687	499	85	2,424	65.7
WYOMING	17	416	8.1	8.0	137	3,367	135	59	3,514	434	42	2,459	70.0
PACIFIC	1,119	334	8.1	8.0	9,021	2,697	8,911	6,539	5,845	725	4,087	3,653	62.5
ALASKA	5	349	8.5	7.8	40	2,953	37	23	4,952	585	17	3,666	74.0
CALIFORNIA	822	334	8.3	8.2	6,803	2,763	6,729	5,364	6,525	788	3,214	3,910	59.9
HAWAII	21	248	9.7	8.9	199	2,396	184	107	5,205	538	75	3,634	69.8
OREGON	113	346	7.3	7.2	823	2,527	812	458	4,060	557	358	3,173	78.1
WASHINGTON	159	344	7.3	7.2	1,157	2,510	1,149	587	3,698	507	423	2,664	72.0
RESIDENCE UNKNOWN	1/	21	9.2	9.1	4	198	4	2	5,009	544	1	2,773	55.4
OTHER AREAS	62	212	9.1	9.1	569	1,939	565	138	2,223	243	71	1,142	51.4
PUERTO RICO	61	213	9.1	9.0	554	1,938	550	134	2,210	243	68	1,119	50.7
ALL OTHER AREAS	1	182	10.8	10.7	15	1,955	15	4	2,818	262	3	2,134	75.7
FORFIGN	2	9	10.2	10.1	21	97	21	12	5,911	578	8	3,625	61.3

1/ NUMBER HIGHER THAN 0 BUT LOWER THAN 500.
2/ AMOUNT OF DOLLARS MORE THAN 0 BUT LESS THAN $500,000.

TABLE 3

USE OF SHORT STAY HOSPITAL SERVICES BY DISABLED MEDICARE HOSPITAL INSURANCE BENEFICIARIES: NUMBER OF DISCHARGES, DAYS OF CARE, CHARGES, AND REIMBURSEMENT, BY REGION, DIVISION, AND STATE, 1983

AREA OF RESIDENCE	DISCHARGES		MEAN LENGTH OF STAY IN DAYS		DAYS OF CARE			TOTAL CHARGES			REIMBURSEMENT		
			TOTAL	COVERED	TOTAL		COVERED						
	NUMBER IN THOUSANDS	RATE PER 1,000 ENROLLEES	PER DIS- CHARGE	PER DIS- CHARGE	NUMBER IN THOUSANDS	RATE PER 1,000 ENROLLEES	NUMBER IN THOUSANDS	AMOUNT IN MILLIONS	PER DIS- CHARGE	PER DAY	AMOUNT IN MILLIONS	PER DIS- CHARGE	PERCENT OF TOTAL CHARGES
ALL AREAS	1,284	440	9.6	9.3	12,272	4,206	11,937	$6,276	$4,887	$511	$3,940	$3,068	62.8
UNITED STATES	1,273	453	9.6	9.3	12,183	4,333	11,849	6,252	4,910	513	3,927	3,084	62.8
NORTHEAST	250	407	11.5	11.0	2,876	4,683	2,740	1,411	5,640	491	884	3,534	62.7
NORTH CENTRAL	309	466	10.0	9.7	3,080	4,650	3,008	1,548	5,017	503	1,011	3,277	65.3
SOUTH	527	493	8.9	8.7	4,698	4,391	4,607	2,208	4,189	470	1,359	2,578	61.5
WEST	187	404	8.2	8.0	1,523	3,294	1,488	1,081	5,784	710	670	3,587	62.0
NEW ENGLAND	55	399	10.6	10.2	589	4,243	563	291	5,249	494	199	3,592	68.4
CONNECTICUT	12	382	10.9	10.7	127	4,151	124	60	5,169	476	43	3,732	72.2
MAINE	7	443	8.8	8.5	61	3,878	60	31	4,498	513	21	2,965	65.9
MASSACHUSETTS	25	394	11.5	10.8	283	4,515	266	145	5,884	514	96	3,893	66.2
NEW HAMPSHIRE	4	419	10.0	9.3	40	4,169	37	19	4,803	482	13	3,207	66.8
RHODE ISLAND	5	366	9.8	9.6	50	3,590	49	23	4,420	451	17	3,345	75.7
VERMONT	3	469	9.5	8.7	29	4,446	26	12	4,088	431	9	2,973	72.7
MIDDLE ATLANTIC	195	410	11.7	11.2	2,287	4,811	2,177	1,120	5,751	490	685	3,517	61.2
NEW JERSEY	38	430	11.9	11.6	453	5,102	442	188	4,926	416	142	3,704	75.2
NEW YORK	82	360	12.7	11.7	1,031	4,557	950	462	5,673	448	293	3,595	63.4
PENNSYLVANIA	75	468	10.7	10.5	803	5,010	785	469	6,255	584	250	3,338	53.4
EAST NORTH CENTRAL	222	459	10.2	10.0	2,271	4,699	2,227	1,176	5,307	518	756	3,410	64.2
ILLINOIS	56	501	10.7	10.5	604	5,379	589	344	6,108	569	204	3,624	59.3
INDIANA	29	451	9.8	9.7	288	4,418	284	121	4,108	419	88	2,996	72.9
MICHIGAN	53	454	10.2	10.0	542	4,620	533	313	5,882	578	196	3,670	62.4
OHIO	62	450	10.4	10.2	643	4,683	632	310	5,015	482	201	3,253	64.9
WISCONSIN	21	407	9.3	9.1	194	3,792	189	88	4,230	454	67	3,211	75.9
WEST NORTH CENTRAL	87	486	9.3	9.0	809	4,518	781	372	4,277	460	256	2,938	68.7
IOWA	15	533	9.0	8.6	139	4,806	133	59	3,802	422	39	2,523	66.4
KANSAS	11	512	9.5	8.6	107	4,870	96	46	4,118	433	33	2,982	72.4
MINNESOTA	15	449	9.5	9.2	145	4,266	140	68	4,473	471	51	3,376	75.5
MISSOURI	32	471	9.4	9.3	300	4,446	297	146	4,607	488	96	3,021	65.6
NEBRASKA	8	537	8.9	8.7	68	4,790	66	30	3,951	443	19	2,527	64.0
NORTH DAKOTA	3	487	9.2	8.9	26	4,482	25	10	3,602	391	8	2,646	73.5
SOUTH DAKOTA	3	427	8.4	8.1	25	3,595	24	13	4,299	510	9	3,143	73.1
SOUTH ATLANTIC	260	475	9.2	9.0	2,398	4,384	2,339	1,136	4,371	474	711	2,735	62.6
DELAWARE	3	388	10.6	10.4	31	4,105	30	16	5,365	506	9	3,036	56.6
DIST. OF COLUMBIA	3	430	13.3	12.9	41	5,715	40	29	9,534	717	21	5,664	58.9
FLORIDA	69	471	9.4	9.3	653	4,448	641	369	5,331	564	216	3,120	58.5
GEORGIA	46	531	8.0	7.9	370	4,231	365	168	3,606	453	106	2,273	63.0
MARYLAND	20	466	11.0	10.7	217	5,116	212	98	4,561	451	80	4,074	62.1
NORTH CAROLINA	42	463	9.1	8.9	387	4,229	378	153	3,617	396	97	2,297	63.5
SOUTH CAROLINA	23	447	9.6	9.1	222	4,284	212	90	3,890	406	57	2,472	63.6
VIRGINIA	34	481	9.5	9.2	321	4,556	313	146	4,295	453	87	2,553	59.4
WEST VIRGINIA	19	460	8.1	7.8	155	3,722	149	68	3,557	440	39	2,023	56.9

(CONTINUED)

TABLE 3 (CONTINUED)
USE OF SHORT STAY HOSPTAL SERVICES BY DISABLED MEDICARE HOSPITAL INSURANCE BENEFICIARIES:
NUMBER OF DISCHARGES, DAYS OF CARE, CHARGES, AND REIMBURSEMENT, BY REGION, DIVISION, AND STATE, 1983

AREA OF RESIDENCE	DISCHARGES		MEAN LENGTH OF STAY IN DAYS		DAYS OF CARE			TOTAL CHARGES			REIMBURSEMENT		
			TOTAL	COVERED	TOTAL		COVERED						
	NUMBER IN THOUSANDS	RATE PER 1,000 ENROLLEES	PER DIS- CHARGE	PER DIS- CHARGE	NUMBER IN THOUSANDS	RATE PER 1,000 ENROLLEES	NUMBER IN THOUSANDS	AMOUNT IN MILLIONS	PER DIS- CHARGE	PER DAY	AMOUNT IN MILLIONS	PER DIS- CHARGE	PERCENT OF TOTAL CHARGES
EAST SOUTH CENTRAL	132	526	8.5	8.4	1,118	4,465	1,104	508	3,851	454	290	2,203	57.2
ALABAMA	36	569	8.4	8.4	307	4,801	305	155	4,261	505	85	2,328	54.6
KENTUCKY	29	446	8.6	8.3	245	3,817	237	101	3,528	412	66	2,319	65.7
MISSISSIPPI	25	540	7.9	7.9	198	4,285	197	81	3,264	411	45	1,796	55.0
TENNESSEE	42	550	8.8	8.7	368	4,837	366	170	4,066	462	94	2,257	55.5
WEST SOUTH CENTRAL	135	497	8.7	8.6	1,182	4,337	1,163	564	4,166	477	357	2,642	63.4
ARKANSAS	23	524	7.7	7.6	175	4,037	172	72	3,196	415	44	1,939	60.7
LOUISIANA	27	448	8.6	8.5	232	3,855	228	120	4,448	516	71	2,634	59.2
OKLAHOMA	18	480	8.2	8.1	145	3,953	143	74	4,217	512	46	2,620	62.1
TEXAS	68	514	9.3	9.1	631	4,759	620	298	4,364	472	197	2,884	66.1
MOUNTAIN	45	406	8.1	7.9	366	3,281	360	211	4,647	575	130	2,875	61.9
ARIZONA	14	393	8.3	8.2	113	3,280	111	72	5,328	639	43	3,186	59.8
COLORADO	10	414	8.3	8.2	84	3,450	83	44	4,409	529	29	2,861	64.9
IDAHO	3	380	7.5	7.2	25	2,841	24	12	3,541	474	8	2,387	67.4
MONTANA	4	465	7.8	7.5	31	3,635	30	14	3,563	456	10	2,404	67.5
NEVADA	4	464	7.6	7.6	30	3,511	30	26	6,624	874	14	3,402	51.4
NEW MEXICO	6	387	8.4	8.2	49	3,247	48	25	4,255	508	15	2,646	62.2
UTAH	3	361	7.6	7.6	25	2,759	25	12	3,826	501	9	2,753	72.0
WYOMING	1	450	7.2	7.2	9	3,247	9	4	3,322	461	3	2,178	65.6
PACIFIC	142	404	8.2	8.0	1,157	3,298	1,128	871	6,148	752	540	3,815	62.0
ALASKA	1	393	8.9	6.6	6	3,494	5	3	4,900	550	2	2,916	59.5
CALIFORNIA	111	410	8.3	8.1	919	3,401	901	739	6,657	804	441	3,979	59.8
HAWAII	2	326	9.5	8.9	23	3,090	22	14	5,487	579	9	3,845	70.1
OREGON	11	382	7.6	7.1	85	2,894	80	50	4,469	590	40	3,564	79.7
WASHINGTON	16	389	7.6	7.5	123	2,950	121	65	3,989	526	47	2,902	72.7
RESIDENCE UNKNOWN	1	184	11.0	9.5	6	2,023	5	4	6,460	589	2	3,691	57.1
OTHER AREAS	11	116	8.0	7.9	86	931	85	23	2,185	273	12	1,156	52.9
PUERTO RICO	10	114	8.0	8.0	84	919	83	23	2,204	274	12	1,153	52.3
ALL OTHER AREAS	1/	316	6.9	6.9	2	2,186	2	2/	1,481	214	2/	1,240	83.7
FOREIGN	1/	20	9.0	9.0	2	184	2	1	5,317	591	1	3,264	61.4

1/ NUMBER HIGHER THAN 0 BUT LOWER THAN 500.
2/ AMOUNT OF DOLLARS MORE THAN 0 BUT LESS THAN $500,000.

Definition of Terms

Short-stay hospital: General and special hospitals certified as participating facilities under Medicare and reporting average stays of less than 30 days.

Discharge: The formal release of an inpatient from a hospital. All discharges including those persons who died during their hospitalization are included.

Hospital charges: The hospital's charges for room, board, and ancillary services as recorded on the billing form (HCFA 1453).

Reimbursement: Payments under the Medicare hospital insurance (HI) program which are shown in this report are based, for the most part, on interim reimbursement rates established to reflect costs as closely as possible, usually established as a per diem amount or as a percentage of total charges. Figures shown exclude amounts for which the patient is responsible such as deductibles, coinsurance, and charges for noncovered services. The final amount of reimbursement due under Medicare to each provider is determined after the end of the fiscal year on the basis of the provider's audited reasonable costs of operations.

A small proportion (estimated to be about 4 percent) of the HI payments shown in this report represent prospective payments for inpatient services rendered by those short-stay hospitals brought under the new Medicare prospective payment system (which became effective October 1, 1983) during the last quarter of calendar year 1983. The prospective payment rate serves as the total Medicare payment for all inpatient services (other than physician) associated with each discharge.

Annual rates per 1,000 enrollees: A ratio of the total number of discharges or days of care (multiplied by 1,000) to the number of persons entitled to benefits as of July 1 of that year.

Days of care: A day during which inpatient hospital services were furnished to a person eligible for HI benefits under Medicare. The day of discharge is not counted as a day of care.

Covered days of care: A day of inpatient hospital care during which services furnished to a person eligible for HI benefits are deemed to be covered under the Medicare program.

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Sources and Limitations of Data

The data shown in this report were derived from the Health Care Financing Administration (HCFA) short-stay hospital inpatient stay record file. This file is generated by linking information from three HCFA master program files for a 20-percent sample of Medicare beneficiaries. The statistical stay record, thereby, provides information on the patient, the hospital, and the hospitalization.

The data are based on short-stay hospital stay records contained in the 20-percent inpatient stay record file. Therefore, the data are subject to sampling variability. Sample counts were multiplied by a factor of 5 to estimate population totals.

The data shown in this report represent those short-stay hospital inpatient records received and processed in HCFA as of December 1984. Therefore, 1983 discharges recorded after that date were not included. A complete count of all Medicare discharges during 1983 will probably total 11.6 million discharges, or about 2 percent more than the figures used in this study.